

Ex 9 – Daly Aff

CI2026-02318

Index #: EF2026-0069

 **Outlook****Re: Industrial regulation/data centers**

From: Ruth Groff <rgroff@lansingtownny.gov>
Date: Fri 9/5/2025 9:52 PM
To: Jack Young [REDACTED]

Also, please keep in mind that my conversation on this issue has always been about any industry that wishes to come into Lansing. I have not been referring at any time during this discussion to the data center.

Ruth Groff
Town Supervisor
Town of Lansing

From: Ruth Groff <rgroff@lansingtownny.gov>
Sent: Friday, September 5, 2025 9:49 PM
To: Jack Young [REDACTED]
Subject: Re: Industrial regulation/data centers

Sorry, I didn't mean to imply the data center specifically would destroy the community. I just meant , that I want to ensure that every decision I make about the Town takes into consideration the effects the business has on our physical, environmental, and cultural landscape and is just as important as the financial benefits. Thus my reason for wanting to secure the future of Lansing as a place that people want to live. I was trying to say that money is only one part of the equation. Does that make sense? I don't want any business that could potentially detract from the quality of life, no matter the financial benefit. It's a fine balance.

Ruth Groff
Town Supervisor
Town of Lansing

From: Jack Young [REDACTED]
Sent: Friday, September 5, 2025 8:44 PM
To: Ruth Groff <rgroff@lansingtownny.gov>
Subject: Re: Industrial regulation/data centers

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Hi Ruth,

CI2026-02318

Index #: EF2026-0069

I wasn't aware of anything having been proposed that could "destroy a community". Of course nobody would want that.

Clearly this data center isn't going to get a warm reception locally. But if having a coal fired power plant there was fine for years, perhaps people aren't really keeping things in perspective. And if that used to be the Town's biggest taxpayer, I can't see why a data center wouldn't end up in the same role. This seems like more of an opportunity than a threat to me.

Probably best for me to leave a contentious issue like this to the elected officials. And be glad I'm not one!

Have a great weekend. ☺

Jack

Sent from my iPhone

On Sep 5, 2025, at 7:04 PM, Ruth Groff <rgroff@lansingtownny.gov> wrote:

They will get a PILOT, so it will be much less. And I doubt it will be assessed at anything even close to your estimate. I hope you're right, though.

However, I am of the persuasion that money does not trump the destruction of a community.

Ruth Groff
Town Supervisor
Town of Lansing

From: Jack Young [REDACTED]
Sent: Friday, September 5, 2025 6:05 PM
To: Ruth Groff <rgroff@lansingtownny.gov>
Subject: RE: Industrial regulation/data centers

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Thanks – you're right, I was using the total tax I used to pay in Cayuga Heights, which was about 3% of my home's assessed value. I forgot that the Town of Lansing

CI2026-02318

Index #: EF2026-0069

has a much lower rate, so our total would be roughly \$2.5%. So a billion dollar data center would only yield about \$25M to the county, town and school district.

2½% of a billion dollars is still a lot of money! ☺

Jack

From: Ruth Groff <rgroff@lansingtownny.gov>
Sent: Friday, September 5, 2025 5:55 PM
To: Jack Young [REDACTED]
Subject: Re: Industrial regulation/data centers

I doubt the tax revenue would come anywhere close to that amount, but I don't deny that even a small portion of that amount would benefit the county and Lansing. If we do move forward with a moratorium, I expect it would be for 6 months, with a possible 6-month extension. We just want John's department to get back on its feet.

As the Chief Budget Officer, I too, welcome any additional revenue we can bring in that will help alleviate some of the burden on the taxpayers. But I also need to keep my eye on the future, considering any possible long-term effects on the environment and the health of Lansing. I want to avoid anything that could harm the lake, or that would affect the health of our residents. We need the time to educate ourselves on these new industries.

I appreciate your perspective, just as I do Joe's. If we can find a happy medium between the two (if that's possible), then I believe we will have done our job.

Ruth Groff
Town Supervisor
Town of Lansing

From: Jack Young [REDACTED]
Sent: Friday, September 5, 2025 4:58 PM
To: Ruth Groff <rgroff@lansingtownny.gov>
Subject: RE: Industrial regulation/data centers

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Hi Ruth,

Thanks for the feedback – I see your point, although all data centers in the mid-Atlantic area will have the same impact on electricity prices locally since they all draw from the same power pool. And these data centers need to be located in our area (and can't all be sited down south or out west) due to latency (the data's travel time) requirements. So whatever happens with this particular proposal won't actually impact our electricity prices in the end. The data center will just get built in another upstate location.

CI2026-02318

Index #: EF2026-0069

Nobody denies that data centers use a lot of power and have been slowly driving prices up. So from that standpoint, it's lucky that we have several solar projects targeting the same transmission lines. We can be part of the solution to the electricity shortage if those actually get built. And as they are right on the same transmission lines, the electrons produced can stay local. ☺ It will be like the Farmers Market rule for electricity – you need to produce it within 30 miles of Ithaca to sell it here!

I won't mention the moratorium idea to anyone now that I know it's confidential, although my personal sense is that this is a tool to be used sparingly. It could take 18 months to get the zoning rewritten and approved, especially if we're dealing with a contentious issue like this. Thanks to Trump's tariffs, costs could escalate dramatically during that period, interest rates may rise to deal with inflation, and TeraWulf's financing commitments could expire. As an example, when the Town was trying to decide how to set up a stormwater management district for our small subdivision along Asbury and Collins Road, it delayed one of the closings by almost 2 years. Prices went up, they lost their mortgage commitment and that family would have been unable to afford the house they wanted if I hadn't stepped in to loan them the money.

Any unforeseen delays can cost a developer or builder serious money, and waiting 18 months before you even see what the rules will be adds an incredible amount of uncertainty to the equation too. TeraWulf will have no idea what the final zoning will require and won't be able to do anything constructive while they wait. It seems very easy to impose a moratorium from a municipal perspective, but it's a nightmare for someone who actually wants to invest significant money in our area's economy.

So I'm not saying it's a bad idea, but it's not an action I'd hope to see the Town take lightly. A billion dollar tax assessment for data center there could easily generate close to \$30,000,000 per year of tax revenue for the county, town and school district. It won't be popular with local taxpayers if we scare that away with a lengthy moratorium, so I can see why you wouldn't want to go public with this idea prematurely.

Thanks for listening, and I appreciate you letting me speak freely on these topics. I never make any money on my real estate projects, but I do like to see things happen. And I'd love to see Lansing have the money we need for trails, parks, sewers and all the other good stuff that Joe and I agree on! ☺

Jack

From: Ruth Groff <rgroff@lansingtownny.gov>
Sent: Friday, September 5, 2025 1:07 PM
To: Jack Young [REDACTED]
Subject: Re: Industrial regulation/data centers

Jack, I totally understand where you are coming from, but please bear in mind that we honestly are more concerned about all future industrial development. I have been pushing for a noise law since my first day as a Board Member, prior to being Supervisor, long before I was ever aware of any data center proposals. We don't have a crystal ball to foretell what future industries might look like, but from our knowledge of the industrial landscape, i.e. types of industries that are currently evolving, we can attempt to address any negative

CI2026-02318

Index #: EF2026-0069

ramifications of ANY major industry, not just data centers. Yes, admittedly, TeraWulf got us thinking about these things, but our obligation as a Town Board is to protect our residents, and tangentially, the environment.

We know that realistically we will most likely not be able to stop TeraWulf, and it may be a boon to our tax revenue, which is always welcome, but if we can soften the blow of their existence in our town, then we owe it to the town to do so. Personally, my biggest concern is that we already know that their existence here will dramatically increase the utility bills for the entire region.

We don't know if a moratorium will go through, but I am being totally honest with you when I tell you that we are going to push for a moratorium on large projects solely because we want to get this zoning rewrite done first, and more importantly, our Planning Department is grossly understaffed. We need to tap the brakes for now to allow John to build his staff to be able to adequately deal with unfunded state mandates for stormwater, solar farms, and just the day-to-day requirements of his department before he is tasked with taking on large projects. I know you can appreciate that.

Please keep this moratorium idea under wraps. We don't know if we are going to go through with it, but if it gets out to the public before we have the chance to share this with the taxpayers, it could create some unnecessary turmoil, especially if we decide not to proceed in that direction.

Ruth Groff
Town Supervisor
Town of Lansing
29 Auburn Road
Lansing, NY 14882
rgroff@lansingtownny.gov
607-533-8896

<image001.png>

***Please note as of June 16, 2025, all Town email addresses will end with @lansingtownny.gov. Please update your address book with our new email addresses.**

From: Jack Young [REDACTED]
Sent: Thursday, September 4, 2025 5:11 PM
To: Ruth Groff <rgroff@lansingtownny.gov>
Subject: Industrial regulation/data centers

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Hi Ruth,

As you suggested, I had lunch with Joe today to discuss possible new laws applying to businesses located in the Town's industrial zones. It sounds like he's pushing to enact laws limiting noise and water usage in all industrial zones, and also is trying to figure out whether the Town could force large scale industrial facilities to recycle

CI2026-02318

Index #: EF2026-0069

excess heat. If the proposed data center can use quiet fans and won't need a great deal of water after the initial fill of their system, those regulations may not prove to be an issue for them. But the devil is always in the detail, of course. Even though that's a fairly rural area they're in, I agree with Joe that we need to make sure that noise isn't a major issue for the immediate neighbors. Regarding water usage, that seems more like Bolton Point issue to me, but hopefully the plant's usage (after the initial fill) won't require Bolton Point to add any new facilities or create shortages or pressure problems for other users in their vicinity.

The excess heat recycling idea was a bit of a surprise, however, and I was curious whether that's an option for a data center along the lines being considered. My assumption is that the plant will probably produce low grade heat, and without nearby homes or businesses that need heat, trying to capture and use it would be uneconomic and pointless. So I suspect that this won't go anywhere unless the goal is to get the data center to move outside the Town. But we'd need to check with TeraWulf to confirm this. My quick bit of research says that recycling low grade excess heat only works in urban areas.

The increased tax revenue and potential host community payments the data center project would generate clearly excite Joe on some level, but he seems unwilling to assume it will last even as long as the old Milliken Station's tax revenue stream did. Which is fair enough during a period of rapid technological change. My guess is that finding a way to save some of the increased revenue for future use (like a rainy day or sovereign wealth fund) is something we should propose if things get that far. The Town appears to be pretty tight on money these days, and development otherwise has been fairly slow. Every department and volunteer group in the Town is hungry for a budget increase and project funding for parks, trails, infrastructure improvements, additional staff, conservation easement purchases etc. Bottom line – we could use the money, and if this new project can deal with water, noise and (possibly) heat issues, I personally hope it will eventually get approved. (Based solely on what I know about it so far, of course.)

Of course, I'm not a Town Board member and just helping with the committee work. So my goal is to learn things that might hopefully help the committee, TeraWulf and the Town find that sweet spot where their project can be built to everyone's benefit. My suggestion is that after we rough out potential new rules regarding water, noise and (possibly) recycling heat, we arrange informal meetings with TeraWulf and the other industries already in Lansing (Cargill, Cayuga Crushed Stone etc) to make sure our proposals are practical. Industrial zones are there to allow industry a place to work relatively unimpeded (hence residential uses not being allowed), and adding rules that would make industry impossible even there won't really help anyone!

Hope this is useful information – while Joe and I clearly come at this issue from different perspectives, we both can agree that increased tax revenues and a possible host community payment could fund a lot of wonderful enhancements and facilities for the Town of Lansing. So I believe it's worth trying to make this work for everyone's benefit.

Jack